



General Assembly

Substitute Bill No. 6029

January Session, 2005

* _____ HB06029ET _____ 031505 _____ *

**AN ACT CONCERNING MAXIMIZATION OF THE VALUE OF
ELECTRIC UTILITY RATEPAYER ASSETS IN DISPOSITION OR
LEASING.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 16-43 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2005*):

4 (a) A public service company shall obtain the approval of the
5 Department of Public Utility Control to directly or indirectly (1) merge,
6 consolidate or make common stock with any other company, or (2)
7 sell, lease, assign, mortgage, except by supplemental indenture in
8 accord with the terms of a mortgage outstanding May 29, 1935, or
9 otherwise dispose of any essential part of its franchise, plant,
10 equipment or other property necessary or useful in the performance of
11 its duty to the public. Any such disposition of an essential part of such
12 other real or personal property of a public service company shall be by
13 public auction or other procedure for public sale, provided such
14 auction or public sale shall be conducted upon notice of auction or sale
15 published at least once each week for two weeks preceding the date of
16 such auction or sale in a newspaper having a substantial circulation in

17 the county in which such property is located. The public service
 18 company shall submit evidence to the department of the notice given.
 19 On a showing of good cause by such company to use a means of
 20 disposal other than by public auction or other procedure for public
 21 sale, the department may, on a finding of such good cause, authorize
 22 the use of an alternative sales process. A public service company other
 23 than a water company may sell, lease, assign, mortgage or otherwise
 24 dispose of improved real property with an appraised value of two
 25 hundred fifty thousand dollars or less or unimproved real property
 26 with an appraised value of fifty thousand dollars or less without such
 27 approval. The department shall follow the procedures in section 16-50c
 28 for transactions involving unimproved land owned by a public service
 29 company other than a water company. A water company supplying
 30 water to more than five hundred consumers may sell, lease, assign,
 31 mortgage, or otherwise dispose of real property, other than public
 32 watershed or water supply lands, with an appraised value of fifty
 33 thousand dollars or less without such approval. The department shall
 34 not accept an application to sell watershed or water supply lands until
 35 the Commissioner of Public Health issues a permit pursuant to section
 36 25-32. The condemnation by a state department, institution or agency
 37 of any land owned by a public service company shall be subject to the
 38 provisions of this subsection. On February 1, 1996, and annually
 39 thereafter, each public service company shall submit a report to the
 40 Department of Public Utility Control of all real property sold, leased,
 41 assigned, mortgaged, or otherwise disposed of without the approval of
 42 said department during the previous calendar year. Such report shall
 43 include for each transaction involving such property, without
 44 limitation, the appraised value of the real property, the actual value of
 45 the transaction and the accounting journal entry which recorded the
 46 transaction.

This act shall take effect as follows and shall amend the following sections:

Section 1	July 1, 2005	16-43(a)
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Statement of Legislative Commissioners:

In section 1(a), "real or personal" was added for clarity.

ET *Joint Favorable Subst.-LCO*